Amalgamation of Indian Oil and IBP

†399. SHRI LAL1T KISHORE CHATURVEDI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the amalgamation process of Indian Oil and IBP has been completed;

(b) if not, the obstacles therein and reasons therefor;

(c) the time-frame of this amalgamation and by when it would be completed; and

(d) whether this amalgamation would result in loss of net worth of Indian oil and if so, the quantum of loss to Government?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) The process of Amalgamation of IBP Co. Limited (IBP) with Indian Oil Corporation Limited (IOC) has been completed and the Ministry of Company Affairs has accorded sanction to the scheme of amalgamation on 30.4.2007. The amalgamation became effective on 2.5.2007 with the filing of the copies of the order by both the companies with the Registrar of Companies at Mumbai and Kolkata.

(d) IOC has reported that there is no loss to the Government of India due to the amalgamation of IBP with IOC except for the marginal reduction in the percentage of Government of India's (GoI) holding in IOC from 82.03% to 80.35% due to issuance of shares to IBP shareholders in the approved swap ratio of 110:100. There is no change in the number of shares held by Gol consequent to the merger.

Diesel subsidy to farmers of Haryana and Punjab

†400. SHRI AJAY SINGH CHAUTALA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there is any proposal under consideration of Government to provide diesel at low rates or provide subsidy on diesel to farmers of Haryana and Punjab, which are primarily foodgrain producing States;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) No, Sir. Diesel is already being sold across the country at price lower than international price. Custom's Duty on Diesel has been reduced to 7.5% from 10% with effect from 14.6.2006. Price of diesel was reduced on 30.11.2006 and again on 16.2.2007. The *ad-valorem* excise duty component on diesel has been reduced from 8% to 6% in the Union Budget, 2007-08.

†Original notice of the question was received in Hindi.